



**FINANCIAL STATEMENTS**

**DECEMBER 31, 2010**



## INDEPENDENT AUDITORS' REPORT

To the Directors of Business Practices and Consumer Protection Authority of British Columbia

### *Report on the Financial Statements*

We have audited the accompanying financial statements of the Business Practices and Consumer Protection Authority of BC (dba Consumer Protection BC), which comprise the statement of financial position as at December 31, 2010, and the statements of operations, changes in net assets, cash flows and related schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Consumer Protection BC as at December 31, 2010 and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Hayes Stewart Little & Co*

Victoria, BC  
March 17, 2010

Chartered Accountants

DUNCAN  
823 Canada Ave.  
Duncan, BC V9L 1V2  
Tel: 250.746.4406 | Fax: 250.746.1950

NANAIMO  
1-256 Wallace St.  
Nanaimo, BC V9R 5B3  
Tel: 250.754.8239 | Fax: 250.754.1903

VICTORIA  
1000-747 Fort St.  
Victoria, BC V8W 3E9  
Tel: 250.383.8994 | Fax: 250.383.8904

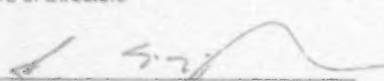
**Consumer Protection BC**  
**Statement of Financial Position**  
**As at December 31, 2010**

|                                                                   | 2010                       | 2009                       |
|-------------------------------------------------------------------|----------------------------|----------------------------|
| <b>Assets</b>                                                     |                            |                            |
| Current:                                                          |                            |                            |
| Cash                                                              | \$ 323,426                 | \$ 1,342,569               |
| Security held as cash (Note 13)                                   | 784,588                    | 601,309                    |
| Accounts receivable                                               | 778,190                    | 273,776                    |
| Prepaid expenses                                                  | 166,861                    | 88,569                     |
| Short term investments                                            | 386,872                    | 335,561                    |
|                                                                   | <u>2,439,937</u>           | <u>2,641,784</u>           |
| Investments                                                       | 1,905,968                  | 1,958,821                  |
| Property, plant and equipment (Note 4)                            | <u>1,000,482</u>           | <u>574,008</u>             |
| <b>Total Assets</b>                                               | <b>\$ <u>5,346,387</u></b> | <b>\$ <u>5,174,613</u></b> |
| <b>Liabilities</b>                                                |                            |                            |
| Current:                                                          |                            |                            |
| Accounts payable and accrued liabilities                          | \$ 714,648                 | \$ 549,798                 |
| Security payable (Note 13)                                        | 784,588                    | 601,309                    |
| Deferred revenue (Note 6)                                         | 1,027,123                  | 1,094,986                  |
| Current portion of deferred capital contributions (Note 7)        | 1,689                      | 4,010                      |
| Current portion of deferred lease inducements (Note 8)            | 18,417                     | -                          |
| Current portion of supplemental retirement benefit plan (Note 11) | -                          | 79,327                     |
|                                                                   | <u>2,546,465</u>           | <u>2,329,430</u>           |
| Deferred capital contributions (Note 7)                           | 2,251                      | 13,225                     |
| Deferred lease inducements (Note 8)                               | 153,478                    | -                          |
| Supplemental retirement benefit plan (Note 11)                    | <u>58,895</u>              | <u>64,363</u>              |
| <b>Total Liabilities</b>                                          | <b>2,771,089</b>           | <b>2,407,018</b>           |
| <b>Net Assets (Note 9)</b>                                        | <b><u>2,575,298</u></b>    | <b><u>2,767,595</u></b>    |
| <b>Total Liabilities and Net Assets</b>                           | <b>\$ <u>5,346,387</u></b> | <b>\$ <u>5,174,613</u></b> |

Commitments (Note 5)

Approved by

  
 Chair, Board of Directors

  
 President and CEO

**Consumer Protection BC**  
**Statement of Operations and Net Assets**  
**For the year ended December 31, 2010**

|                                                                | <u>2010</u>         | <u>2009</u>         |
|----------------------------------------------------------------|---------------------|---------------------|
| <b>Revenue</b>                                                 |                     |                     |
| Licenses, classification, penalties & fines                    | \$ 4,174,044        | \$ 4,360,203        |
| Recoveries (Notes 16 and 17)                                   | 358,836             | 120,000             |
| Interest, investment and other income                          | 108,468             | 177,891             |
| Government grants                                              | <u>13,294</u>       | <u>391,237</u>      |
|                                                                | <u>4,654,642</u>    | <u>5,049,331</u>    |
| <b>Expenses</b>                                                |                     |                     |
| Accounting and legal                                           | 77,987              | 91,313              |
| Amortization                                                   | 202,704             | 183,090             |
| Contract services                                              | 213,192             | 424,844             |
| Governance (Note 12)                                           | 152,777             | 144,433             |
| Information systems and telecommunication                      | 233,810             | 241,409             |
| Insurance                                                      | 94,790              | 92,187              |
| Office                                                         | 183,787             | 205,268             |
| Rent - premises                                                | 631,921             | 462,164             |
| Travel                                                         | 60,102              | 47,702              |
| Wages and benefits                                             | <u>3,015,082</u>    | <u>3,042,423</u>    |
|                                                                | <u>4,866,152</u>    | <u>4,934,833</u>    |
| (Deficiency) excess of revenues over expenses                  | (211,510)           | 114,498             |
| <b>Other income</b>                                            |                     |                     |
| Loss on sale of property, plant and equipment                  | <u>(12,225)</u>     | -                   |
| (Deficiency) excess of revenues over expenses for the year     | <u>\$ (223,735)</u> | <u>\$ 114,498</u>   |
| <br>                                                           |                     |                     |
| Net assets, beginning of year                                  | \$ 2,767,595        | \$ 2,616,181        |
| (Deficiency) excess of revenues over expenses                  | (223,735)           | 114,498             |
| Net unrealized gains on available<br>for sale financial assets | <u>31,438</u>       | <u>36,916</u>       |
| Net assets, end of year                                        | <u>\$ 2,575,298</u> | <u>\$ 2,767,595</u> |

**Consumer Protection BC**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2010**

**1. Purpose of the organization**

The Business Practices and Consumer Protection Authority (the Authority) was established on March 31, 2004 under the Business Practices and Consumer Protection Act of British Columbia as a not for profit corporation without share capital. After an extensive rebranding process, on August 24<sup>th</sup>, 2009, the Authority commenced doing business as Consumer Protection BC.

The purpose of Consumer Protection BC is to deliver consumer protection services throughout British Columbia, to promote fairness and understanding in the marketplace and to administer in the public interest any Act for which the administration has been delegated. Consumer Protection BC is classified as a public body for income tax purposes and therefore is not subject to income taxes.

**2. Accounting Policies**

The financial statements of Consumer Protection BC have been prepared in accordance with Canadian generally accepted accounting principles. The following significant accounting policies have been adopted by the organization:

**(a) Cash and cash equivalents**

Cash and cash equivalents consist of cash on deposit with banks and investment institutions.

**(b) Investments**

In accordance with section 3855 "*Financial Instruments – Recognition and Measurement*" of the CICA Handbook, Consumer Protection BC has classified its investments as available-for-sale and is reporting them at fair value. All investments are publicly traded and the fair market value is based on quoted prices on the settlement date. The amount by which the fair values for these investments differs from the costs represents unrealized gains and losses and are recorded directly to net assets as prescribed in the CICA Handbook for not for profit organizations. When an investment is sold, the cumulative unrealized gain or loss is reclassified as a realized gain or loss in investment income on the Statement of Income and Net Assets. Previous unrealized investment losses of \$2,354 have been reflected in income during 2010.

Investments in foreign currency are translated into Canadian dollars at the exchange rate in effect at the balance sheet date. The foreign currency exchange gains and losses for these investments are recorded in the same manner as other investment gains and losses. Consumer Protection BC does not hold any derivative investments. Investment income includes interest and dividends earned and realized gains and losses net of investment expenses incurred during the year. Investment transaction costs are expensed as incurred. Short term investments consist of fixed income Canadian dollar denominated securities with a maturity of one year or less.

## 2. Accounting Policies Cont.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent actuarial valuation (March 31, 2008) has determined that the Plan has a surplus of \$487 million.

The pension plan liability or surplus rests with the Pension Corporation of British Columbia and does not belong to Consumer Protection BC. As such, defined contribution plan accounting is applied to this benefit plan and the costs of these employee future benefits is recognized as an expense in the year that contributions are made.

### Defined supplemental retirement benefit plan

The supplemental retirement benefit plan payable at retirement is based on the employee's service and earnings projected to retirement. For employees currently not yet eligible to retire and receive the retirement benefit on the year-end date, the benefit is then prorated by the ratio of their service to date over their total service at the time of retirement. The prorated benefit represents the portion of the benefit accrued to the year-end date. For employees eligible to receive the retirement benefit at the year-end date, the expected retiring benefit payment has been included in the accrued liability. The value of the benefit is calculated based on the likelihood that the member will retire from the plan and discounted with interest to the current age.

#### (h) Long Term Disability

Consumer Protection BC contributes to the Public Service Long-term Disability Multiemployer Plan, as a member of an employer group. The long term disability plan liability rests with the Province of BC and is not a liability of Consumer Protection BC. As such, defined contribution plan accounting is applied to this benefit plan and the costs of these employee future benefits is recognized as an expense in the year that contributions are made.

#### (i) Asset retirement obligations

The fair value of a liability for an asset retirement obligation is recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The associated retirement costs are capitalized as part of the carrying amount of the long lived assets and amortized over the life of the asset. At this time, Consumer Protection BC has determined that there are no significant asset retirement obligations.

#### (j) Use of Estimates

The preparation of the financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial

**2. Accounting Policies Cont.**

statements and the reported amounts of revenues and expenses during the reporting period. This includes but is not limited to the useful lives of property, plant and equipment and the liability accrued for the defined supplemental retirement benefit.

**(k) Future Changes in Accounting Policies**

Financial instruments

During Consumer Protection BC's 2009 fiscal year, the CICA announced that not-for-profit organizations could elect to continue to apply Handbook Section 3861, Financial Instruments – Disclosure and Presentation in place of Handbook Sections 3862, Financial Instruments – Disclosure and 3863, Financial Instruments – Presentation. Sections 3862 and 3863 place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how and entity manages those risks. Consumer Protection BC has elected to continue to apply the financial instrument disclosure and presentation standards in accordance with Section 3861.

New accounting standards

No new accounting standards have been issued by the CICA that will have a significant impact on Consumer Protection BC's financial statements in fiscal 2011.

The CICA has issued guidance for new accounting and financial reporting standards for all publically accountable enterprises, private enterprises and not-for-profit organizations that would be effective for years commencing on or after January 1, 2012. Consumer Protection BC is in the process of reviewing the impact of these standards on its reporting framework and financial statements.

**3. Operating line of credit**

Consumer Protection BC maintains an operating line of credit in the amount of \$1,000,000 with Van City Savings Credit Union. The credit facility bears interest at the bank's prime rate plus .50%. As of December 31, 2010, there were no borrowings under the line of credit.

4. **Property, plant and equipment**

|                                | Cost                | Accumulated<br>Amortization | Net Book Value      |                   |
|--------------------------------|---------------------|-----------------------------|---------------------|-------------------|
|                                |                     |                             | 2010                | 2009              |
| Furniture and equipment        | \$ 347,372          | \$ 110,522                  | \$ 236,850          | \$ 110,301        |
| Computer hardware and software | 633,442             | 410,127                     | 223,315             | 272,615           |
| Telecommunications equipment   | 4,433               | 1,997                       | 2,436               | 3,480             |
| Automotive equipment           | 95,436              | 56,477                      | 38,959              | 88,399            |
| Leasehold improvements         | 580,507             | 81,585                      | 498,922             | 99,213            |
| <b>Total</b>                   | <b>\$ 1,661,190</b> | <b>\$ 660,708</b>           | <b>\$ 1,000,482</b> | <b>\$ 574,008</b> |

5. **Lease obligation and commitments**

Consumer Protection BC has entered into lease agreements for its premises, computer equipment and a service contract for telecommunications and internet service. Future minimum lease payments are as follows:

|      | Premises            | Equipment<br>and Service | Total Future<br>Minimum Lease<br>Payments |
|------|---------------------|--------------------------|-------------------------------------------|
| 2011 | \$ 317,138          | \$ 62,058                | \$ 379,196                                |
| 2012 | 289,295             | 62,058                   | 351,353                                   |
| 2013 | 168,056             | 2,619                    | 170,675                                   |
| 2014 | 177,043             | -                        | 177,043                                   |
| 2015 | 177,043             | -                        | 177,043                                   |
| 2016 | 195,016             | -                        | 195,016                                   |
| 2017 | 204,003             | -                        | 204,003                                   |
| 2018 | 204,003             | -                        | 204,003                                   |
| 2019 | 204,003             | -                        | 204,003                                   |
| 2020 | 68,001              | -                        | 68,001                                    |
|      | <b>\$ 2,003,601</b> | <b>\$ 126,735</b>        | <b>\$ 2,130,336</b>                       |

## 6. Deferred Revenue

Deferred revenue consists of funds received for licenses issued that are in effect for all or part of the next fiscal year. The balance consists of the following unrecognized license fees by industry:

|                        | 2010                | 2009                |
|------------------------|---------------------|---------------------|
| Cemetery / Crematorium | \$ 4,125            | \$ 4,150            |
| Debt Collection        | 240,215             | 333,948             |
| Film Distribution      | 94,029              | 95,024              |
| Funeral Services       | 38,031              | 36,632              |
| Home Inspectors        | 10,930              | 9,128               |
| Payday Lenders         | 215,120             | 188,264             |
| Telemarketing          | 50,483              | 56,894              |
| Travel                 | 273,845             | 264,077             |
| New Lines of Business  | 100,345             | 106,869             |
|                        | <u>\$ 1,027,123</u> | <u>\$ 1,094,986</u> |

## 7. Deferred Capital Contributions

Deferred capital contributions represent unamortized external funding used to purchase capital assets which will be recognized as revenue in future periods:

|                            | 2010            | 2009             |
|----------------------------|-----------------|------------------|
| Balance, beginning of year | \$ 17,234       | \$ 22,548        |
| Amortized to revenue       | (13,294)        | (5,313)          |
| Balance, end of year       | 3,940           | 17,235           |
| Current portion            | (1,689)         | (4,010)          |
|                            | <u>\$ 2,251</u> | <u>\$ 13,225</u> |

## 8. Deferred Lease Inducements

Deferred lease inducements represent unamortized inducements received as part of the lease contract on the Uptown premises. The deferred portion of these inducements will be recognized over the term of the lease contract as a reduction of rent expense in future periods:

|                            | 2010              | 2009        |
|----------------------------|-------------------|-------------|
| Balance, beginning of year | \$ -              | \$ -        |
| Inducements received       | 184,173           | -           |
| Amortized to expense       | (12,278)          | -           |
| Balance, end of year       | 171,895           | -           |
| Current portion            | (18,417)          | -           |
|                            | <u>\$ 153,478</u> | <u>\$ -</u> |

## 9. Net Assets

|                                                                      | Invested<br>in Capital<br>Assets | Unrestricted        | 2010                | 2009                |
|----------------------------------------------------------------------|----------------------------------|---------------------|---------------------|---------------------|
| Balance, beginning of year                                           | \$ 556,773                       | \$ 2,210,822        | \$ 2,767,595        | \$ 2,616,181        |
| Excess of revenues over expenses                                     | -                                | (223,735)           | (223,735)           | 114,498             |
| Amortization of deferred capital contributions                       | 13,294                           | (13,294)            | -                   | -                   |
| Investments in capital assets                                        | 629,179                          | (629,179)           | -                   | -                   |
| Amortization of capital assets                                       | (202,704)                        | 202,704             | -                   | -                   |
| Net unrealized gains (losses) on available for sale financial assets | -                                | 31,438              | 31,438              | 36,916              |
| Total                                                                | <u>\$ 996,542</u>                | <u>\$ 1,578,756</u> | <u>\$ 2,575,298</u> | <u>\$ 2,767,595</u> |

**10. Capital Disclosures**

Consumer Protection BC considers its capital to be the balance maintained in its Unrestricted Net Assets. Capital is invested under the direction of the Board of Directors with the objectives of maximizing income, obtaining a return higher than inflation, preserving capital and maintaining adequate liquidity to meet operational needs. Consumer Protection BC is not subject to externally imposed requirements on its capital.

**11. Employee future benefits**

***Public service pension plan***

Consumer Protection BC has a defined benefit plan providing pension and other retirement benefits to its employees. The plan is administered by the Pension Corporation of British Columbia. Eligible employees make contributions to the plan via payroll deductions.

The employer contribution rate to the Public Service Pension Plan is 8.78% of the pensionable salary up to the year's maximum pensionable earnings and 10.28% on pensionable salary in excess of the year's maximum pensionable earnings. These rates have been in effect since April 1, 2009. The year's maximum pensionable earnings for 2010 was \$47,200 (2009: \$46,300).

Consumer Protection BC recognized \$210,588 in employer contributions as an expense during the fiscal year (2009: \$211,029).

**11. Employee future benefits Cont.**

***Defined supplemental retirement benefit plan***

In addition to the Public Service Pension Plan, eligible employees are entitled to a supplemental retirement benefit as provided for under the collective agreement and terms of employment. The retirement benefit is based on years of service and final average salary and paid through an unfunded Defined Supplemental Retirement Benefit Plan, which is administered by Consumer Protection BC.

An independent actuarial valuation of the Defined Supplemental Retirement Benefit Plan has not been performed, therefore the amount accrued as a liability at December 31, 2010 is management's best estimate based on the following assumptions:

|                               |          |
|-------------------------------|----------|
| Accrued benefit obligation    | \$68,895 |
| Discount rate                 | 3.31%    |
| General staff attrition rate  | 15.00%   |
| Rate of compensation increase | 0.00%    |

The full accrued benefit obligation has been recorded as a liability of Consumer Protection BC. Consumer Protection BC recognized \$4,532 as a supplemental retirement benefit expense during the fiscal year (2009: \$48,686) and made cash payments in the amount of \$79,327 (2009: \$13,111).

***Long term disability plan***

A funded long term disability multi-employer plan provides disability income benefits after employment, but before retirement.

The contribution rate is 1.86% of the employees' salary. The total contributions recognized as an expense in the year are \$42,169 (2009: \$42,710).

**12. Governance**

Governance consists of the costs associated with the Board of Directors and the industry advisory groups. These groups have been established to identify consumer and industry related issues and potential solutions for consideration by Consumer Protection BC.

### 13. Security Payable

Under Section 14(2) of the Travel Industry Regulation, licensed travel agents in BC must provide security to Consumer Protection BC prior to the issuance of a license. The security may be provided in the form of cash, letter of credit or approved investments. Security provided in the form of cash is held in a separate bank account and returned 6 months after the license is cancelled if there are no outstanding claims against the security. If claims are made by consumers for travel services that were prepaid but not received, the security is used to reimburse the Travel Assurance Fund for the claims. The licensee has the opportunity to reimburse the Travel Assurance Fund prior to the security becoming realized.

Under Section 12(1) of the Debt Collection Industry Regulation, licensed debt collectors in BC must provide security to Consumer Protection BC prior to the issuance of a license. The security may be provided in the form of cash, letter of credit or approved investments. Security provided in the form of cash is held in a separate bank account and returned 2 years after the license is cancelled if there are no outstanding claims against the security.

|                                | Debt |         | Travel |           | Total      |
|--------------------------------|------|---------|--------|-----------|------------|
| Balance, beginning of the year | \$   | 100,000 | \$     | 501,309   | \$ 601,309 |
| Receipts                       |      | 40,000  |        | 300,000   | 340,000    |
| Refunds                        |      | -       |        | (156,721) | (156,721)  |
| Balance, end of year           | \$   | 140,000 | \$     | 644,588   | \$ 784,588 |

### 14. Travel Assurance Fund

The Travel Assurance Fund is established pursuant to Section 130(2) of the Business Practices and Consumer Protection Act ("Act") and is funded by required initial and semi-annual contributions from registrants. It has been created to reimburse eligible consumers who have prepaid for travel services with a BC registered travel agency, but did not receive the service. These compensation funds are to be maintained in trust and do not form part of the assets of Consumer Protection BC. The statement of financial position and statement of operations and net assets of the Travel Assurance Fund are presented in Schedule A (pages 18 and 19).

#### (a) Investments

In accordance with section 3855 "*Financial Instruments – Recognition and Measurement*" of the CICA Handbook, Consumer Protection BC has classified the Travel Assurance Fund investments as available-for-sale and is reporting them at fair value. All investments are publicly traded and the fair market value is based on quoted prices on the settlement date. The amount by which the fair values for these

**14. Travel Assurance Fund Cont.**

investments differs from the costs represents unrealized gains and losses and are recorded directly to net assets of the Travel Assurance Fund as prescribed in the CICA Handbook for not for profit organizations. When an investment is sold, the cumulative unrealized gain or loss is reclassified as a realized gain or loss in investment income on the statement of operations and net assets of the Travel Assurance Fund. Previous unrealized investment gains of \$1,501 have been reflected in income during 2010.

Investment income includes interest and dividends earned and realized gains and losses net of investment expenses incurred during the year. Investment transaction costs are expensed as incurred. Short term investments consist of fixed income Canadian dollar denominated securities with a maturity of one year or less. The Travel Assurance Fund does not hold any derivative investments.

**15. Consumer Advancement Fund**

The Consumer Advancement Fund is established pursuant to Section 139(1) of the Business Practices and Consumer Protection Act ("Act") and is funded by proceeds from court ordered actions taken against violators of the Act and various administrative penalties. It is created to fund education of consumers and suppliers on compliance with the Act. These funds are maintained in trust and administered by and do not form part of the assets of Consumer Protection BC. The statement of financial position and statement of operations and net assets of the Consumer Advancement Fund are presented in Schedule B (page 20).

**(a) Canada 3000**

On October 13, 2009 the Supreme Court of BC approved Consumer Protection BC's proposal to administer the C3 Leisure (Canada 3000) trust account. These trust fund monies are to be held within the Consumer Advancement Fund. At December 31, 2010, the anticipated amount is reflected as both an asset and a liability of the Consumer Advancement Fund.

**16. Recoveries Fund**

Recoveries consist of cost recoveries from legal actions and settlements Consumer Protection BC managed on behalf of consumers. Pursuant to a court order or consent agreement, Consumer Protection BC is authorized to deduct the costs it has incurred from the gross settlement proceeds prior to distributing the net amount to the damaged parties. Settlement amounts will vary from year to year depending upon the results of the actions taken. The statement of financial position and statement of operations and net assets of the Recoveries Fund are presented in Schedule C (page 21)

**16. Recoveries Fund Cont.**

During the year amounts were transferred from the Recoveries Fund to the Consumer Advancement Fund to be used for general consumer education. The amounts arose as proceeds received from the following investigations:

|              |                  |
|--------------|------------------|
| Wilkes       | \$300,000        |
| Cash Corners | <u>78,621</u>    |
|              | <u>\$378,621</u> |

During the year amounts totalling \$91,217 were paid to the Federal Trade Commission in respect of restitution from the Cash Corners case.

**17. Related Party Transactions**

Administrative fees were collected by Consumer Protection BC from the Consumer Advancement Fund in the amount of \$170,000 (2009: \$nil) to compensate for the costs of administering the Fund.

Administrative fees were collected by Consumer Protection BC from the Travel Assistance Fund in the amount of \$120,000 (2009: \$120,000) to compensate for the costs of administering the Fund.

Fees were collected by Consumer Protection BC from the Recoveries Fund in the amount of \$68,836 (2009: \$nil) to compensate for the investigative and legal costs associated with the Cash Corners case.

**18. Comparative figures**

Certain comparative figures have been reclassified to conform to the presentation adopted in the current year.

**Consumer Protection BC**  
**Travel Assurance Fund**  
**Schedule A**

**Statement of Financial Position**  
**As at December 31, 2010**

|                                         | <u>2010</u>                | <u>2009</u>                |
|-----------------------------------------|----------------------------|----------------------------|
| <b>Assets</b>                           |                            |                            |
| <b>Current:</b>                         |                            |                            |
| Cash                                    | \$ 1,059,804               | \$ 957,234                 |
| Interest receivable                     | 992                        | 477                        |
| Accounts receivable                     | -                          | 358                        |
| Due from Consumer Protection BC         | -                          | 2,170                      |
| Short term investments (Note 14)        | <u>617,430</u>             | <u>550,829</u>             |
|                                         | 1,678,226                  | 1,511,068                  |
| Investments (Note 14)                   | <u>3,340,547</u>           | <u>3,252,890</u>           |
| <b>Total Assets</b>                     | <b>\$ <u>5,018,773</u></b> | <b>\$ <u>4,763,958</u></b> |
| <b>Liabilities</b>                      |                            |                            |
| <b>Current:</b>                         |                            |                            |
| Accounts payable                        | \$ 4,099                   | \$ 3,930                   |
| Due to Consumer Protection BC           | 47,014                     | -                          |
| Claims payable (Note 14)                | <u>-</u>                   | <u>-</u>                   |
| <b>Total Liabilities</b>                | <u>51,113</u>              | <u>3,930</u>               |
| <b>Net Assets</b>                       | <u>4,967,660</u>           | <u>4,760,028</u>           |
| <b>Total Liabilities and Net Assets</b> | <b>\$ <u>5,018,773</u></b> | <b>\$ <u>4,763,958</u></b> |

**Consumer Protection BC**  
**Consumer Advancement Fund**  
**Schedule B**

**Statement of Financial Position**  
**As at December 31, 2010**

|                                         | <u>2010</u>              | <u>2009</u>              |
|-----------------------------------------|--------------------------|--------------------------|
| <b>Assets</b>                           |                          |                          |
| <b>Current:</b>                         |                          |                          |
| Cash                                    | \$ 372,089               | \$ 84,997                |
| Cash held in trust (Note 15)            | 364,487                  | 364,916                  |
| Interest receivable                     | 346                      | 40                       |
| Accounts receivable                     | <u>78,621</u>            | <u>-</u>                 |
| <b>Total Assets</b>                     | <b>\$ <u>815,545</u></b> | <b>\$ <u>449,953</u></b> |
| <b>Liabilities</b>                      |                          |                          |
| <b>Current:</b>                         |                          |                          |
| Canada 3000 in trust (Note 15)          | \$ 364,487               | \$ 364,916               |
| Due to Consumer Protection BC           | <u>171,040</u>           | <u>2,000</u>             |
| <b>Total Liabilities</b>                | <b>535,527</b>           | <b>366,916</b>           |
| <b>Net Assets</b>                       | <b><u>280,018</u></b>    | <b><u>83,037</u></b>     |
| <b>Total Liabilities and Net Assets</b> | <b>\$ <u>815,545</u></b> | <b>\$ <u>449,953</u></b> |

**Statement of Operations and Net Assets**  
**For the year ended December 31, 2010**

|                                                          | <u>2010</u>              | <u>2009</u>              |
|----------------------------------------------------------|--------------------------|--------------------------|
| <b>Revenue</b>                                           |                          |                          |
| Contributions                                            | \$ 384,821               | \$ -                     |
| Interest                                                 | <u>1,723</u>             | <u>627</u>               |
|                                                          | <b><u>386,544</u></b>    | <b><u>627</u></b>        |
| <b>Expenses</b>                                          | <b><u>189,563</u></b>    | <b><u>2,359</u></b>      |
| <b>Excess (deficiency) of revenues over expenditures</b> | <b>\$ <u>196,981</u></b> | <b>\$ <u>(1,732)</u></b> |
| <b>Net assets, beginning of year</b>                     | <b>\$ 83,037</b>         | <b>\$ 84,769</b>         |
| <b>Excess (deficiency) of revenues over expenditures</b> | <b><u>196,981</u></b>    | <b><u>(1,732)</u></b>    |
| <b>Net assets, end of year</b>                           | <b>\$ <u>280,018</u></b> | <b>\$ <u>83,037</u></b>  |